

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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<i>In re</i>	:	
	:	Chapter 11
AMBAC FINANCIAL GROUP, INC.,	:	
	:	Case No. 10-15973 (SCC)
Debtor.	:	
-----X	:	
AMBAC FINANCIAL GROUP, INC.,	:	
	:	
Plaintiff,	:	
	:	Adv. Pro. No. 10-4210 (SCC)
v.	:	
	:	
UNITED STATES OF AMERICA,	:	
	:	
Defendant.	:	
-----X	:	

**ORDER PURSUANT TO SECTION 105(A) OF THE BANKRUPTCY CODE TO
IMPLEMENT A SCHEDULE FOR COMPLETION OF DISCOVERY**

Upon the motion dated February 1, 2011 (the “Motion”)¹ of Ambac Financial Group, Inc., as debtor and debtor in possession in the above-captioned chapter 11 case (the “Debtor,” and together with its non-debtor affiliates, “Ambac”), for entry of an order implementing a schedule for completion of discovery with respect to the above-captioned adversary proceeding, all as more fully described in the Motion; and upon a hearing having been held on February 18, 2011 (the “Hearing”); and upon the record of the Hearing and all of the proceedings had before the Court; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. § 1334(b) and 28 U.S.C. § 2201; and venue being proper before this Court pursuant to 28 U.S.C. § 1409(a); and due and proper

¹ Capitalized terms used but not defined herein shall have the meanings set forth in the Motion.

notice of the Motion having been provided; and it appearing that no other or further notice need be provided; and the Court having determined that the relief set forth below is in the best interests of the Debtor, its estate, its creditors, and all parties interest, and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED that:

1. The Motion is granted to the extent provided herein.

Pretrial Scheduling

2. Initial disclosures required pursuant to Federal Rule of Civil Procedure (“FRCP”) 26(a)(1), as incorporated by Federal Rule of Bankruptcy Procedure (“Bankruptcy Rule”) 7026, shall be served on or before Friday, March 4, 2011.
3. Production requests pursuant to FRCP 34, as incorporated by Bankruptcy Rule 7034 (the “Production Requests”), and initial interrogatories pursuant to FRCP 33, as incorporated by Bankruptcy Rule 7033, and as such initial interrogatories are circumscribed by Local Bankruptcy Rule for the Southern District of New York (“LBR”) 7033-1(a) (the “Initial Interrogatories”), shall be made on or before Friday, March 4, 2011. Subject to the restrictions of LBR 7033(b), subsequent interrogatories and production requests may be served at any time prior to the August 5, 2011, cut-off for discovery.
4. Responses to Production Requests shall be made and Initial Interrogatories shall be answered on or before Friday, April 1, 2011.
5. Requests for Admissions pursuant to FRCP 36, as incorporated by Bankruptcy Rule 7036, shall be made on or before Wednesday, June 15, 2011.
6. Fact depositions shall be completed on or before Wednesday, June 15, 2011.

7. A status conference shall take place during June, 2011 on a mutually agreed upon date.
8. The Plaintiff and Defendant's expert disclosures pursuant to FRCP 26(a)(2)(A) and (B), as incorporated by Bankruptcy Rule 7026, shall be served on or before Thursday, June 30, 2011.
9. Rebuttal expert reports shall be served by the Parties on or prior to Friday, July 15, 2011.
10. Expert depositions shall be completed on or before Friday, August 5, 2011.
11. All discovery shall be completed on or before Friday, August 5, 2011.
12. All dispositive motions shall be served on or before Friday, September 16, 2011, and noticed to be heard pursuant to further order of this Court or upon agreement of the parties.
13. Pursuant to further order of the Court or upon agreement of the parties, counsel for the Parties are ordered to confer and file with the Court a Pretrial Order, stating their readiness for trial, the amount of time which the Court should allocate for trial and the calendar period for the trial.
14. Any of the discovery deadlines imposed herein may be extended upon the consent of all parties or for cause shown.

15. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order, unless reference is withdrawn to the district court and the district court exercises jurisdiction over this matter pertaining to this Order. Nothing shall prejudice or otherwise affect the motion to withdraw the reference pending before the Honorable Paul G. Gardephe. Nor shall anything set forth herein constitute an admission on the part of the United States, Debtor, or the Creditor's Committee as to whether the district court or the bankruptcy court has jurisdiction under 28 U.S.C. § 157(d).

Dated: March 2, 2011
New York, New York

/S/ Shelley C. Chapman
THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE